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TASK: LF726
Peter Brinton <peterbrinton@utah.gov>

White Mtn. Expired Notice, Dennis Engh Telephone Conversation

1 message

Ginouves, Edward <eginouve@blm.gov>

Tue, Jun 25, 2013 at 1:31 PM

To: Peter Brinton <peterbrinton@utah.gov>

Status update on site re-authorization or reclamation.

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Ed Ginouves
Minerals Specialist
BLM Cedar City Field Office
176 East DL Sargent Drive
Cedar City, UT 84721
435-865-3040



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**BLM - Cedar City Field Office
Phone Conversation Record**

JUN 25 2013

Div. of Oil, Gas & Mining

Date: June 25, 2013

Time: 11:00 am

Persons Involved:

Ed Ginouves, BLM CCFO

Mr. Dennis Engh, Great American Land and Cattle, 801-808-3644

Background: The White Mtn. notice, a pre-2001 extended notice, had been allowed to expire in Jan. 2011. I sent a decision letter notifying the operator of this fact through certified letter dated Jan 26, 2011, to which no response had been sent. As a follow-up, I had called the operator, Mr. Dennis Engh, and tried to discuss the matter with him. He directed me to Mr. Steve Cummins, who is serving as vice-president of Great American. In subsequent correspondence with Mr. Cummins, we discussed options for re-authorization as well as reclamation of the site disturbances. When these discussions weren't followed up on, The CCFO sent another decision letter (non-compliance order), dated March 27, 2012, again providing the options of initiating site reclamation or obtaining a new authorization within 30 days of receipt and, if choosing site reclamation, to complete such site reclamation by October 15, 2012. Neither option was acted upon as of October 15, 2012, so the Division and BLM are ready to proceed with bond forfeiture. Tom Munson, Division Reclamation specialist reached Mr. Engh by telephone on October 16th to inform him of this.

Phone Conversation Notes (by Ed Ginouves):

This was the first time I have spoken with Mr. Engh directly and so I began by trying to summarize the case history. I explained that I had done my best to work with Mr. Cummings both on getting the site re-authorized, and later with getting it reclaimed, but that we were now more than two years into the process with no resolution. I told Mr. Engh (as I had Mr. Cummings) that I had little hope the clay would be determined to be an uncommon variety by the USO Examiners and the site re-authorized under the mining laws. I felt the best option for re-authorizing would be through a sales contract application but as this is done under 100% cost-recovery, the cost of proceeding with a sales contract would be as much as \$15,000 for the EA and royalty determination.

Mr. Engh explained that he has been diligently seeking a partner to proceed with re-authorization and is presently pursuing a lead with a major Georgia-based kaolin producer. Mr. Engh noted that a principal problem with marketing the material has been the fact that the kaolinite is intermixed with silica on the micron-sized level, so that to liberate the kaolin from the silica requires grinding to a particle size that was thought impractical or uneconomic. He now believes this may not be the case and he hopes to engage the kaolin producer in this possibility. He noted that kaolin producers have previously visited the property and been very favorably impressed with the high whiteness of the material, but a means must be found to remove the contained silica for the paper-making market because of its abrasiveness on the paper-making machinery.

In my conversation with Mr. Engh, I learned that Dennis Engh is the brother of Daniel Engh, who was the entity that originally authorized the site as a notice with the BLM. Dennis Engh has been the principal financial support for the exploration work on the property and has been in control of the property for some time, first through Utah Clay Technologies and now through Great American Land and Cattle. Daniel Engh is no longer involved with the property. Dennis Engh's profession has been in the gardening business and his involvement in the site sprang from a business partnership of long ago.

I told Mr. Engh it was critical that the site either be re-authorized or reclaimed by this fall. Mr. Engh requested a couple of months to pursue the current business development led and we settled on Sept. 1, 2013 as the deadline for any effort to re-authorize the site in lieu of reclamation. If the re-authorization does not materialize by then, he stated he was willing to perform the reclamation this fall.